

Fair Political Practices Commission

Memorandum

To: Chairman Randolph, Commissioners Blair, Downey, Huguenin, and Remy

From: Whitney Barazoto, Legislative and Communications Coordinator
Mark Krausse, Executive Director

Subject: Legislative Report

Date: February 2, 2006

The deadline for a two-year bill to pass out of its house of origin was January 31, 2006; bills that died pursuant to that deadline are listed under the section, "Bills No Longer Moving." The last day for a bill to be introduced is February 24, 2006.

INFORMATIONAL ITEMS

Bills Amending the Political Reform Act			
Bill No.	Author	Title	Introduced/Amended

AB 583 Hancock California Clean Money and Fair Elections Act of 2005 A-01/24/06

This bill would provide that its provisions shall not become operative and that its provisions are for display purposes only. The bill would enact the California Clean Money and Fair Elections Act of 2006, which would authorize eligible candidates, as defined, to obtain public funds according to specified procedures and requirements, provided that certain thresholds are attained. It would add contribution limits that limit contributions to a candidate for statewide elective office who does not participate in Clean Money Fund funding. The bill would impose responsibility for the administration of the provisions of the bill on the Fair Political Practices Commission. It would also create the Clean Money Fund, and commencing on July 1, 2008, would transfer 1 cent per day per California resident 18 years of age or older, from the General Fund to the Clean Money Fund for the purpose of the public financing provisions of this act. This bill would make funding for the administrative and enforcement costs of the act subject to the appropriation by the Legislature.

Status: Passed Assembly, now in Senate Rules Committee

Position: None taken

AB 709 Wolk Candidate-controlled ballot measure committees A-06/28/05

Imposes a \$5,600 limit on contributions to ballot measure committees controlled by elective state office candidates. Primarily formed ballot measure committees would be subject to the post-election fundraising restrictions in the Act. The bill aggregates contributions to multiple ballot measure committees in support of, or in opposition to, the same ballot measure that are controlled by the same state candidate. It would also require the Secretary of State to submit the bill's provisions to the voters at the November 8, 2005 election.

Status: Passed Assembly, now in Senate Elections Committee

Position: Support

AB 1391 Leno Campaign disclosure: general purpose committees A-08/18/05

Defines a state general purpose committee as a committee that is not a county or city general purpose committee, or a committee that makes expenditures to support or oppose candidates or measures voted on

in a state election, or in more than one county, including contributions to state general purpose committees, which total more than 50% of the contributions and independent expenditures made by the committee. Adds additional layers of income disclosure up to and in excess of \$2 million.

Status: Passed Assembly, now in Senate Elections Committee

Position: Sponsor of Sections 2-4

AB 1558 Wolk Pilot project: financial interests in public contracts A-01/31/06

This Commission-sponsored bill would initiate a pilot project to allow the Commission to fully respond to conflict of interest advice-seeking public officials by discussing not only the law under the Commission's jurisdiction but also a related Government Code provision (section 1090) under which the official could potentially be liable.

Status: Passed Assembly, now in Senate

Position: Sponsor

AB 1759 Umberg Campaign Expenditures Disclosures A-01/19/06

This bill would require committees other than primarily formed committees to disclose contributions or independent expenditures totaling \$5,000 or more to support or oppose the qualification or passage of a single state ballot measure within 10 business days of making the contribution or independent expenditure. The bill intends to close loophole that allows ballot measure proponents to delay disclosing their financial supporters by funding a ballot measure campaign through a general purpose committee. The contents of this bill are almost identical to AB 938 (Umberg), which passed both houses and was vetoed by the Governor. However, AB 1759 appears to address the Governor's veto message by lowering the threshold of \$10,000 (as it appeared in AB 938) to \$5,000 as it currently reads in AB 1759.

Status: Passed Assembly, now in Senate

Position: None taken

SB 11 Bowen Contributions: voting equipment manufacturers/vendors A-06/02/05

This bill prohibits a candidate for elective state or local office from accepting any contributions from a manufacturer or vendor of voting equipment or systems. This bill also amends the Elections Code to declare that the Secretary of State cannot serve as an officer of a political party or partisan organization, or support or oppose any candidate or ballot measure.

Status: Passed Senate, now in Assembly Elections Committee

Position: Oppose unless amended

SB 145 Murray Contributions A-03/14/05

This bill would authorize an elected state officer to accept contributions after the date of the election to the office presently held for the purpose of paying expenses associated with holding office or for any other purpose authorized by the Political Reform Act of 1974, subject to certain limitations. The bill would set limits on the amount of contributions that may be made to an elected state officer in a calendar year and on the aggregate amount of contributions that a state officer may receive in a calendar year.

Status: Passed Senate, now in Assembly Appropriations Committee

Position: Neutral

SB 784 Committee Campaign contributions and expenditures A-05/17/05

This bill extends the reporting threshold and deadline for payments for legislative, governmental, or charitable purposes made "at the behest of" an elected official from \$5,000 to \$7,000 and from 30 days to 90 days, respectively. It also specifies that such a payment made in response to a press release, interview,

or other media-related communication from an elected official is not required to be reported. In addition, it adds that an elected official is required to report such a payment only if he or she knows, or has reason to know, that a payment was made at his or her behest.

Status: Passed Senate, now on Assembly Floor

Position: Neutral

SB 1120 Ortiz Fair Political Practices Commission: funding I-01/04/06

This bill would increase Commission funding to an annual appropriation of \$9,000,000. It would also specify that if a provision of the Political Reform Act is successfully challenged, any attorney's fees and costs shall be paid from the General Fund and the Commission's budget shall not be reduced accordingly. If passed, the bill would take effect on July 1, 2007.

Status: Introduced, assigned to Senate Elections Committee

Position: Sponsor

Bills Not Amending the Political Reform Act

Bill No.	Author	Title	Introduced/Amended
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AB 1129 Mountjoy Judicial Elections A-01/09/06

This bill previously amended the PRA. This bill would, until January 1, 2007, require a candidate for a judicial office to file their candidate statements by the 83rd day before the election instead of by the 88th day as currently mandated. This bill would declare that it is to take effect immediately as an urgency statute.

Status: Passed Assembly and Senate, now enrolled to the Governor

Position: None taken

AB 1363 Jones Conservatorship and Guardianship Reform Act of 2006 A-01/24/06

This bill previously amended the PRA. As currently written, this bill would enact the Omnibus Conservatorship and Guardianship Reform Act of 2006. This act would require professional conservators and guardians to be licensed and would prohibit a court from appointing non-licensed professional conservators and guardians. This bill contains other related provisions.

Status: Passed Assembly, now in Senate Rules Committee

Position: None taken

SB 472 Alquist Math and Reading Professional Development Program A-01/25/06

This bill previously amended the PRA. As currently written, this bill would extend the operation of the Mathematics and Professional Development Program which was to sunset on July 1, 2006.

Status: Passed Senate, now in Assembly Elections Committee

Position: None taken

SCA 13 Ortiz Biomedical research A-06/08/05

The California Stem Cell Research and Cures Act (Proposition 71) established the California Institute for Regenerative Sciences and the Independent Citizens Oversight Committee to perform various oversight functions with regard to the Institute. Members of the ICOC are required to file statements of economic interest with the FPPC. This constitutional amendment would require that the president and each employee of the Institute disclose various economic interests and file with the FPPC. It further requires that a member of any working or advisory group appointed to assist the institute or its governing body

disclose his or her income and investments in any entity that has sought funding from the institute or that is engaged in biomedical research.

Status: In Senate (Placed on Inactive file)

Position: None taken

SCA 17 Speier State officers: outside income A-08/15/05

This bill would amend the California Constitution to prohibit a state officer from providing services under contract or otherwise accepting employment, other than performing the duties of his or her state office for compensation from the state, in exchange for compensation or other valuable consideration to that state officer or to any other party or entity.

Status: Introduced

Position: None taken

Bills No Longer Moving ("Dead Bills")			
Bill No.	Author	Title	Introduced/Amended

AB 16 Huff Campaign Contributions A-01/04/06

This bill would prohibit the Governor or a member of the Legislature from being given or accepting any campaign contributions in the calendar year immediately proceeding that in which the Governor or member of the Legislature is eligible for reelection between the date of the May budget revision and the date of the enactment of the budget bill for the upcoming fiscal year.

Status: Failed in Assembly Elections Committee

Position: Oppose unless amended

AB 40 Wolk Conflict of interest: lobbying interests I-12/6/04

This bill prohibits lobbyists who contract with an elected state officer from lobbying that officer, his or her staff or the staff of any committee the member chairs, and requires notification to the Secretary of State by lobbyists who enter into a contractual agreement with an elected state officer. AB 40 also requires that any payment conditioned on the outcome of an election be disclosed in pre-election reports.

Status: Failed in Assembly Elections Committee

Position: Oppose unless amended

AB 347 Huff Enforcement A-01/04/06

This bill would make a 2nd and each subsequent violation of the Act a misdemeanor or felony, punishable by imprisonment in a county jail for no more than one year, or by 16 months, 2 years, or 3 years in the state prison. Current law under the PRA allows only a misdemeanor punishment.

Status: Failed to pass Assembly Elections Committee

Position: Support

AB 513 Richman Lobbyist registration: bond consultants A-04/26/05

This bill would expand the definition of administrative action to include the selection of an underwriter for state or local bond business.

Status: Failed to pass Assembly Appropriations Committee

Position: None taken

AB 534 Montanez Disqualification and disclosure A-08/29/05

This bill was gutted and amended on August 29, 2005, to impose a “piercing” provision in the income disclosure and disqualification provisions of the Act. Under existing law, SEI filers holding a 10% or greater interest in a business entity must report sources of income to that business entity of \$10,000 or more. This bill would require that the filer also report the name of any person paying more than \$10,000 to one of those reportable sources of income. For example, a public official who holds a 50% interest in a law firm already reports the names of clients paying his firm \$10,000 or more in a calendar year. This bill would require that this public official also report any person (including non-individuals) that the official should know is paying \$10,000 or more to one of his firm’s reportable clients. In addition, the bill would make the newly reportable source of income disqualifying under section 87103.

Status: Failed to pass Assembly Appropriations Committee

Position: None taken

AB 891 DeVore Slate Mailer Organizations A-04/13/05

Amends Act’s slate mailer provisions to (1) make inclusion in a slate mailer sent by a recipient committee not at the candidate’s behest a contribution to a candidate who does not pay equal consideration for the mailer; (2) require a slate mailer organization to notify the candidate of the value of the contribution; and (3) require the Commission adopt regulations providing a method for valuing slate mailer communications.

Status: Failed to pass Assembly Elections Committee

Position: None taken

SB 36 Florez 501(c)(4) issue advocacy disclosure A-05/04/05

The Political Reform Act of 1974, as amended by Proposition 34 of the November 7, 2000, statewide general election, require a person who pays or promises to pay \$50,000 or more for an issue advocacy communication, which clearly identifies a candidate for elective state office but does not expressly advocate the election or defeat of the candidate, made within 45 days of an election, to file a specified disclosure report online or electronically with the Secretary of State within 48 hours of making or promising the payment. This bill would require a similar filing by a person who pays or promises to pay \$50,000 for a communication to 10,000 voters within the jurisdiction that the candidate is seeking office.

Status: Failed to pass Senate

Position: Oppose unless amended

SB 25 Ackerman Political Reform Act of 1974 A-01/19/05

This bill creates a presumption that a contribution received in response to a written solicitation from an elective state office candidate or his or her committee is received in response to that solicitation, for that candidate or committee, or for the term of office specified in the solicitation. Also repeals two sections related to an obsolete March state primary election.

Status: Failed to pass Senate

Position: Oppose unless amended

SB 54 Ackerman Political Reform Act of 1974 I-01/10/05

Substantially similar to, and rendered obsolete by, SB 25.

Status: Failed to pass Senate

Position: Oppose unless amended

Legislative Report

February 2, 2006

SB 289 Battin Conflicts of interest I-01/31/06

“Spot” bill that adds “or her” where “his” is used in statute 87100 of the Political Reform Act.

Status: Failed to pass Senate

Position: None taken

SB 721 Chesbro Elections: ballot pamphlets A-04/18/05

This bill would codify the requirements of existing law that, in ruling on a challenge to a ballot pamphlet copy, a court shall indulge all legitimate presumptions in favor of the propriety of the copy, and find the copy sufficient in cases where reasonable minds could differ as to the sufficiency of the copy.

Status: Failed to pass Senate Elections Committee

Position: None taken

SB 929 Kehoe California Coastal Commission: administrative actions A-06/02/05

Expands the definitions of lobbyist to include those in direct communication with California Coastal Commissioners for the purpose of influencing quasi-judicial decisions, but excludes from that definition those who communicate on only one administrative action in a calendar year. Urgency clause added on June 6th.

Status: Failed to pass Senate

Position: Neutral

Bills Vetoed by the Governor

Bill No.	Author	Title	Introduced/Amended
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AB 739 Nation Political Expenditure Disclosure V-10/07/05

Lowers from \$50,000 to \$10,000 the reporting threshold applicable to issue advocacy communications that clearly identify a candidate for elective state office made within 45 days of an election. The bill also lowers the threshold for donor reporting from \$5,000 to \$1,000.

Status: Vetoed by Governor

Position: None taken

AB 938 Umberg Campaign expenditure disclosures V-10/08/05

Requires electronic filers to also report expenditures totaling \$10,000 or more to support or oppose the qualification or passage of a ballot measure, and disclosing other specified information, within 10 business days of making the expenditure. The bill would require that this report also be filed in the places where the committee would be required to file campaign statements if it were formed or existing primarily to support or oppose the measure for or against which it is making the expenditure.

Status: Vetoed by Governor

Position: None taken

Chaptered Bills

Bill No.	Author	Title	Chapter Number
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AB 1234 Salinas Local Agencies: Compensation and Ethics Ch. 700, Statutes of 2005

As chaptered, this bill clarifies the rules pertaining to compensation of local government officials when they attend authorized meetings and conferences, and it requires local agencies to establish guidelines for

reimbursing local officials for actual and necessary expenses incurred in the performance of official duties. Most pertinent to the Commission is that the bill requires ethics training for local government officials and selected employees of a local agency that provides such compensation or reimbursement. If a local agency develops curricula to satisfy the training requirements, the agency must consult with the Commission and the Attorney General regarding the sufficiency and accuracy of any proposed course content. Commission staff has added an item to the regulatory calendar to address the consultation requirement.

AB 1755 Committee Commission-sponsored Omnibus Bill Ch. 200, Statutes of 2005

As chaptered, this Commission-sponsored measure makes the following changes to the Political Reform Act: 1) deletes reporting provisions relating to the now-obsolete March state primary; 2) clarifies that a late contribution report or a late independent expenditure report is not required to be filed by a candidate or committee that has disclosed the late contribution or late independent expenditure pursuant to a specified electronic report; 3) extends from 30- to 45-days the period during which a candidate may leave one office and assume another without having to file a new SEI; 4) clarifies that a candidate for city treasurer is required to file a statement of economic interests with the city clerk and that a candidate for judge is required to file a statement of economic interests with the person with whom the candidate's declaration of candidacy is filed, instead of filing the statement with the clerk of the court.

SB 8 Soto Local Post-gov. Employment Restrictions Ch. 680, Statutes of 2005

As chaptered, this bill extends to local elected officials, county chief administrative officers, city managers or administrators, and special district general managers or chief administrators the one-year post-governmental employment restrictions ("revolving door" ban) currently applicable to state public officials. It prohibits these local elected officials from lobbying the local government agency of which that official was a member for a period of one year after leaving office. It exempts from the prohibition individuals who are appearing or communicating on behalf of another local government or public agency of which the individual is a board member, officer, or employee. The provisions of SB 8 will take effect on **July 1, 2006**, imposing on the Commission an estimated annual cost increase of approximately \$168,000. A budget change proposal has been approved by the Department of Finance for funding and positions to implement this legislation.

ACR 1 McLeod Proposition 71: stem cell research Ch. 128, Statutes of 2005

As chaptered, this measure urges the Independent Citizen's Oversight Committee established pursuant to Proposition 71 approved by the voters at the November 2, 2004, general election, to adopt robust conflict-of-interest standards for itself and for the members of its working groups, to comply with standards set forth in provisions of law relating to open meetings of public agencies and public records, and to report to the Legislature by January 1, 2006.